

## Michaels

Approver: LJE

**Request:**

1. 55% on Database Transactions, 75% on HRMS module
2. 24 month Price Hold 50% for DBMS and Tools, 25% for 9iAS, 70% on future HRMS purchases, 50% on Applications including Financial apps, Projects, Purchasing, iProcurement, iSupplier, Oracle Sourcing, and Other Applications (Tutor, EDI Gateway, Applications Read Only, etc.).
3. Flat Line Support for 3 years and not to exceed 5% in years 4 & 5.
4. Customer Definition to include Parent corporations majority owned subsidiaries

### Deal Summary:

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Product Mix:	45% Technology, 55% HR Apps at list price
License Discount	55% Technology, 25% 9iAS, 75% HR
Support Discount	55% Technology, 25% 9iAS, 75% HR
Support Options/Holds	Flatline 3 years 5% max for years 4 & 5
Price Holds	50% Technology, 25% 9iAS, 70% HR, 50% Financials
List License	\$7,456,000
List Support	\$1,749,836
Net License	\$2,561,200
Net Support	\$672,980
Net Price	3,234,180
Price List Used	Jan 11, 2002

**Justification:** (Include customer's past spend and discount history if applicable.)

Competitive replacement of PeopleSoft for HRMS, and future financials; incentive to purchase large combined DBMS and HRMS by end of Feb.(list License = \$7.3MM)

Michaels is currently a Peoplesoft customer. The reason they are considering Oracle is because the contractual cost to add on HR and license for the expected growth was very high. They have told us that a primary factor in our favor would be a known cost of growth that is lower than Peoplesoft. Both the price hold and the support concessions address this issue.

Michaels Stores recently set up Michaels Management as a subsidiary to manage specific assets. Michaels Stores and their subsidiaries will be using the technology products and might use the HR applications.

**Recommendation:** (leave blank)

**Submitted By:** Richard Bedford (972)868-3475

R: (leave blank)

C: (leave blank)

L: (leave blank)

A: (leave blank)



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BP: (leave blank)